Office of Chief Counsel Internal Revenue Service

memorandum

CC:LM:CTM:LN:TL-N-3911-01
JAMoon

date:

to: Chief, Examination Division, Southern California District Lorna Fenton, Case Manager Ken Kusaka, Team Coordinator LMSB 1585 Santa Ana

from: June Y. Bass, Associate Area Counsel (LMSB)
 Jenny A. Moon, Attorney (LMSB)

subject: Taxpayer:

Issue: Restricted Consent to Extend the Statute of Limitations

Years: and

DISCLOSURE STATEMENT

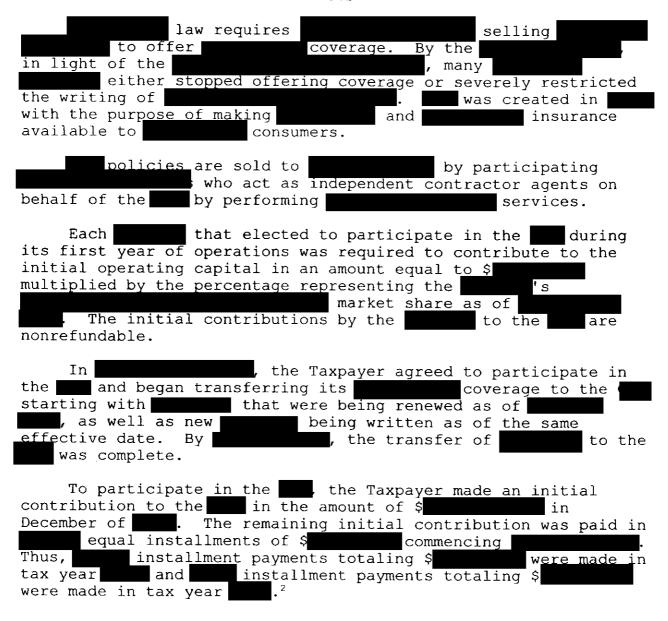
This writing may contain privileged information. Any unauthorized disclosure of this writing may have an adverse effect on privileges, such as the attorney client privilege. If disclosure becomes necessary, please contact this office for our views.

This memorandum is pursuant to your request for our advice regarding the language to be used in the restricted consent to extend the statute of limitations for assessment for the

(the "Taxpayer"). The current statute of limitations on assessment for tax years and expires on

The only issue for which the restricted consent is being sought involves initial contribution payments by the Taxpayer to the in the amounts of and \$ and \$ for tax years and , respectively.

FACTS1



Our understanding of the facts of this case is limited to the information that you have provided in this case. We have not undertaken any independent investigation of the facts of this case. If the facts known to us are incorrect or incomplete in any material respect, you should not rely on this advice, but instead, should contact our office immediately.

This information is from Taxpayer's response to Information Document Request #70. We note that payments of \$ total \$ (not \$), while payments of \$ total \$ (not \$).

RECOMMENDATION

We recommend that you use the following language on the restricted consent, Form 872-A. The language should be placed in the space between the printed text of the form and the first signature line. However, if space is limited, the restricted language can be placed on an attachment, in which case, "SEE ATTACHED STATEMENT" should be placed in the space between the printed text and the first signature line of the restricted consent form.

The restricted language on the Form 872-A should read as follows:

The amount of any deficiency, set off, penalty, addition to tax and/or interest assessment shall be limited to that resulting from any adjustment to the taxpayer's treatment and/or reporting of, for Federal income tax purposes, the payments to the on Form 1120-PC (including all schedules and attachments thereto) for tax years and including any consequential changes to other items based on such adjustment(s).

As used herein, the term "adjustment" means any change or changes to said item(s) whether reported or not reported on the return. The change can be in amount, taxable status, allocation, character, etc.

As used herein, the term "consequential changes" means any direct or indirect effect.

A footnote limiting the application of I.R.C. § 6511(c) should be added to the consent stating, "The provisions of section 6511(c) of the Internal Revenue Code are limited to any refund or credit resulting from adjustment(s) for which the period for assessment is extended under this agreement."

This advice has been coordinated with the Office of Chief Counsel in Washington, D.C. and the ISP counsel for industry.

Please call Jenny A. Moon at (949)360-2689 if you have any questions.

Attachments: copies of relevant portions of Taxpayer's and Forms 1120-PC.